

Exhibit 37

Deposition of Robert Topel (December 6, 2017) (excerpted)

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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

CUNG LE; NATHAN QUARRY, JON)
FITCH, on behalf of)
themselves and all others)
similarly situated,)
)
Plaintiffs,)
)
vs.) Case No.
) 2:15-cv-01045-RFB-(PAL)
)
ZUFFA, LLC, d/b/a Ultimate)
Fighting Championship and)
UFC,)
)
Defendant.)
)

HIGHLY CONFIDENTIAL

CONTINUED VIDEOTAPED DEPOSITION OF

ROBERT TOPEL, VOL. II

Washington, D.C.

December 6, 2017

8:39 a.m.

REPORTED BY:
Tina Alfaro, RPR, CRR, RMR
Job No. 52570

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<p style="text-align: right;">292</p> <p>1 So they'd have to be -- there would be competition 2 for this exclusive upfront, but information is not 3 fully played out yet on who's who. So I doubt 4 that -- I doubt that fighters would want to sign 5 that contract. So you -- you have a hypothetical 6 contract there. Zuffa's not going to get any 7 fighters with that contract.</p> <p>8 Q. So in your view it's -- is it your view -- 9 I'm just trying to understand. Is your view that 10 it's anticompetitive because no one could sign it 11 or that it's anticompetitive for other reasons or 12 both?</p> <p>13 A. Well, you asked me --</p> <p>14 MR. WIDNELL: Objection, form.</p> <p>15 BY THE WITNESS:</p> <p>16 A. Technically speaking, you asked me if it 17 was procompetitive, so like it was efficient, 18 right?</p> <p>19 Q. Yes.</p> <p>20 A. Well, it's not going to be an efficient 21 contract if fighters come along and say I'm not 22 signing that and they go somewhere else. A 23 procompetitive contract is one that maximizes, 24 loosely speaking, the value of output, and there's 25 not going to be out -- well, Zuffa's not going to</p>	<p style="text-align: right;">294</p> <p>1 promotion than it does under its existing 2 contracts?</p> <p>3 A. Well, under its existing contracts they 4 might lose people who move. In that sense -- in 5 that sense only that would be one effect, but 6 you've also posited a world where everybody wants 7 to fight for Zuffa anyway. So maybe they don't 8 have to promote so much because everybody wants 9 to -- wants to watch Zuffa anyway.</p> <p>10 Q. Turn to paragraph 95 and 96 -- or turn to 11 95 first, please.</p> <p>12 A. Okay. We're back in my report, right?</p> <p>13 Q. We are.</p> <p>14 A. Yeah.</p> <p>15 Q. In paragraphs 95 and 96 you're talking 16 about --</p> <p>17 A. I'm sorry. I'm on page 95.</p> <p>18 Q. Page 41.</p> <p>19 A. Yes.</p> <p>20 Q. There you're talking about co-promoted 21 matches. What are copromoted matches?</p> <p>22 A. Where two promoters, say Bellator and 23 Zuffa, say let's have a match that mixes your guys 24 and our guys.</p> <p>25 Q. And you say there in the first sentence of</p>
<p style="text-align: right;">293</p> <p>1 participate in the output if they offer that 2 contract. Somebody else would because they 3 wouldn't be offering that contract.</p> <p>4 Q. Assume for the question that fighters so 5 much wanted to fight for the UFC because the UFC 6 currently has most of the top fighters that they 7 were willing to make that deal going in. Would it 8 then be procompetitive?</p> <p>9 MR. WIDNELL: Objection, form.</p> <p>10 BY THE WITNESS:</p> <p>11 A. Well, you know, I don't know because now 12 you're telling me that other people can offer 13 similar contracts. Other people can offer any 14 contract they want and implausibly Zuffa offers 15 this contract that says you're going to fight for 16 us forever and I don't know all the other forms of 17 the contract that you're talking about and 18 everybody lines up with Zuffa, then, I mean, one 19 could imagine that that has some value-producing -- 20 you know, salubrious value-producing consequence 21 that makes everybody want to go there, but I don't 22 know what it is. So I've not had to consider that 23 in the context of this matter.</p> <p>24 Q. Would you agree that under that contract 25 Zuffa would have more incentive to invest in</p>	<p style="text-align: right;">295</p> <p>1 paragraph 95 towards the end that copromoted 2 matches are apparently nonexistent; do you see 3 that?</p> <p>4 A. I recall the sentence. I'm looking for 5 the -- it's towards the end.</p> <p>6 Q. Of the first sentence.</p> <p>7 A. Oh, the first sentence?</p> <p>8 Q. I'm sorry. The second sentence.</p> <p>9 A. Yes.</p> <p>10 Q. You understand that the UFC --</p> <p>11 MR. WIDNELL: Objection, misstates, but go 12 ahead.</p> <p>13 BY MR. CRAMER:</p> <p>14 Q. The second sentence says "Copromoted 15 matches in which athletes from different MMA 16 promoters compete against one another are 17 apparently nonexistent." Did I read that 18 correctly?</p> <p>19 MR. WIDNELL: I'm sorry. I'm not -- 20 you're in paragraph 95?</p> <p>21 MR. CRAMER: Yes, second sentence.</p> <p>22 MR. WIDNELL: I apologize. Yes. I see. 23 I was looking at a different sentence. My 24 mistake.</p> <p>25 BY THE WITNESS:</p>

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<p style="text-align: right;">296</p> <p>1 A. We're all on the same page. 2 Q. All right. I read that correctly? 3 A. Yes. 4 Q. You understand that UFC refuses to copromote with other MMA promoters, correct? 5 MR. WIDNELL: Objection, form. 6 BY THE WITNESS: 7 A. Whether that's a binding policy or not I don't know. I just know that they don't. 8 Q. Have you seen evidence in the record where Dana White has said he will not copromote with other promoters? 9 A. I don't recall that statement. I wouldn't be surprised that it's made. 10 Q. Are you aware that other MMA promotions haven't engaged in co-promotion? 11 MR. WIDNELL: Objection, form. 12 BY THE WITNESS: 13 A. Could you read -- I think you -- 14 Q. I'll restate the question. 15 A. I think you said haven't when you probably meant have. 16 Q. Thank you. Are you aware that other MMA promotions have indeed engaged in co-promotion? 17 MR. WIDNELL: Objection, form.</p>	<p style="text-align: right;">298</p> <p>1 in copromotion, correct? 2 A. With whom? 3 Q. Does Zuffa have market power in the boxing promotion world? 4 A. Not that I'm aware of. 5 Q. And would you agree that if Zuffa engaged in copromotion in boxing in a market in which it does not have market power that that would be efficient? 6 A. Well, you have to define copromotion now. 7 Q. Promoting a bout with a fighter signed by the UFC against a fighter that wasn't signed by the UFC. 8 A. Are we -- are we talking about Conor McGregor and his fight with -- what's his name? 9 Merryweather Lewis? 10 Q. Money Mayweather. 11 A. Yeah. Okay. All right. So that's what we're talking about? Is that what we're talking about, that's the question. 12 Q. Yes. 13 A. Okay. 14 Q. You're aware that Zuffa copromoted a boxing match between its own fighter, Conor</p>
<p style="text-align: right;">297</p> <p>1 BY THE WITNESS: 2 A. You said -- could you read -- I think you -- 3 Q. I'll restate the question. 4 A. I think you said haven't when you probably meant have. 5 Q. Thank you. Are you aware that other MMA promotions have indeed engaged in copromotion? 6 A. You know, I recall that there are a few instances of copromotion and I can't remember what they -- I can't remember the context or who did it. 7 Q. Are you aware that Pride used to do bouts with fighters from different MMA promotions before it was bought up by Zuffa? 8 A. I don't recall what Pride did. 9 Q. Are you aware that Strike Force before it was bought by Zuffa used to allow some of its fighters to go fight with other promotions? 10 MR. WIDNELL: Objection, form. 11 BY THE WITNESS: 12 A. That's a different thing. 13 Q. Are you aware of that? 14 A. Yeah. 15 Q. And you know that Zuffa recently engaged</p>	<p style="text-align: right;">299</p> <p>1 McGregor, and Mayweather? 2 MR. WIDNELL: Objection, foundation. 3 BY THE WITNESS: 4 A. I'm not sure that it was copromotion in the sense that we've been talking about here, but I'm aware that Conor McGregor fought in that match and it was okay with UFC for him to do it. 5 Q. The UFC promoted that match, correct? 6 MR. WIDNELL: Objection, foundation. 7 BY THE WITNESS: 8 A. When you say promoted, promote means that they advertise the existence of the match going on and that Conor McGregor is a UFC athlete and he's fighting in this match or that they put the match on? 9 Q. The former. 10 A. Yeah, I'm aware they did that. 11 Q. And you're aware that Mayweather is not under contract with the UFC, correct? 12 A. Of course, yes. 13 Q. And you would agree -- strike that. 14 Have you done an analysis in your report -- strike that. 15 Do you know whether the UFC intends to copromote in the sense that it copromoted the match</p>

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1	between McGregor and Mayweather in boxing -- other 2 boxing matches in the future?		
3	A. It would depend on whether it's in the, 4 you know, management of UFC judges that it's in 5 their business interest and whether someone comes 6 along who's got the talents to compete at that 7 level and whether they want to risk it.		
8	Q. And you understand that the fight between 9 Mayweather and McGregor was profitable, correct?		
10	A. One assumes for the promoter of that 11 fight.		
12	Q. And for the fighters, correct?		
13	A. One assumes.		
14	Q. All right. Back to Strike Force data. 15 You testified yesterday relating to the Chow test 16 and I have some follow-up questions. 17 A. Okay. 18 Q. You testified that when you ran your Chow 19 test that Zuffa and Strike Force data did not come 20 from the identical data-generating process, 21 correct? 22 A. I recall saying something like that, yeah. 23 Q. And you testified that your Chow test 24 could tell you if there was any reason to put these 25 guys, the Strike Force guys in your words, in the		
		16 17 18	Q. You've heard of the term "yardstick," right? A. Yeah.
	301		303
1	regression, correct?		
2	A. I don't know if -- I would never have 3 phrased it that way, but --		
4	Q. I'm quoting you.		
5	A. I don't remember saying it that way, but 6 go ahead.		
		4 5 6 7 8	Q. All right. You believe that your Chow test justifies the discarding of the Strike Force data unless the data-generating process for Strike Force is identical to the data-generating process for Zuffa; is that right? A. The point I'm making is that this is a different company and the Chow test demonstrates that it was different. Why you would put it in in the first place escapes me.
13	Q. All right.		
14	A. So having said -- this is a different 15 company, this is -- these athletes were not under 16 management of Zuffa, their compensation was not 17 determined by Zuffa, the contracts they signed were 18 not signed by anybody from Zuffa, and yet they're 19 being used for this. And what the Chow test 20 demonstrated was, you know, not only shouldn't you 21 put them in there in the first place, but they 22 really are different. That's what the Chow test is 23 demonstrating.		
24	Q. Strike Force was in the same market as 25 Zuffa, correct?		

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<p style="text-align: right;">340</p> <p>1 now you've inserted firm. So no.</p> <p>2 Q. All right. Firms in a market, if I change</p> <p>3 the -- the -- all right. I'll reask the question</p> <p>4 this way. A market can have an infinite number --</p> <p>5 in order for a market to have a horizontal supply</p> <p>6 curve there would need to be an infinite number of</p> <p>7 equivalent workers at exactly the same wage; is</p> <p>8 that right?</p> <p>9 A. No.</p> <p>10 Q. What was wrong with that?</p> <p>11 A. Infinite. Does the -- the supply curve</p> <p>12 needs to be -- can be perfectly elastic over a</p> <p>13 relevant range where demand in this market is</p> <p>14 shifting and there will be no material effect on</p> <p>15 prices. I mean, there's not an infinite number of</p> <p>16 workers anywhere.</p> <p>17 Q. Okay. So a firm would need to have a</p> <p>18 substantial material number of equivalent</p> <p>19 workers -- I mean, a market would need to have a</p> <p>20 substantial number of equivalent workers at exactly</p> <p>21 the same wage in order for there to be a horizontal</p> <p>22 supply curve; is that right?</p> <p>23 A. I said over the relevant range.</p> <p>24 Q. Over the relevant --</p> <p>25 A. So if we -- if we have -- there needs to</p>	<p style="text-align: right;">342</p> <p>1 firm's here and there's other firms and I'm going</p> <p>2 to hire -- instead of trying to attract people to</p> <p>3 my taco stand I'm going to hire people from along</p> <p>4 the road between my firm and another firm and</p> <p>5 they're all uniformly distributed. I'm making up</p> <p>6 this model. And I'll get the same taco stand kind</p> <p>7 of thing on the input side. If I want to hire more</p> <p>8 I have to reach further down the road and it's</p> <p>9 costly to drive. So I'll increase the marginal</p> <p>10 price that I pay -- I'll have to increase the</p> <p>11 marginal price that I pay.</p> <p>12 Q. Okay. So let's take your taco stand</p> <p>13 example. You have to taco stand A on one side of</p> <p>14 the road and then a mile away you have taco stand</p> <p>15 B.</p> <p>16 A. Yeah.</p> <p>17 Q. Now let's say somebody puts a toll on that</p> <p>18 road and all of a sudden in order to get from taco</p> <p>19 stand A to taco stand B it costs a hundred dollars</p> <p>20 and before it used to cost zero dollars. All</p> <p>21 things equal, would that toll increase the mobility</p> <p>22 costs of workers?</p> <p>23 MR. WIDNELL: Objection, form.</p> <p>24 BY THE WITNESS:</p> <p>25 A. So now I'm -- just -- just so I'm clear,</p>
<p style="text-align: right;">341</p> <p>1 be enough to prevent the wage from rising when</p> <p>2 demand shifts.</p> <p>3 Q. All right.</p> <p>4 A. And enough depends on the circumstances.</p> <p>5 Q. Is it fair to say that when mobility of</p> <p>6 workers is -- becomes restricted or is costly firms</p> <p>7 in that market could obtain some monopsony power?</p> <p>8 A. Your statement is so broad and vague</p> <p>9 that -- you know, I'll come back to my taco stands.</p> <p>10 And there's some costs of going to the next taco</p> <p>11 stand so that people who live closest to my taco</p> <p>12 stand prefer my taco stand to the taco stand that's</p> <p>13 further away even though our tacos are in all other</p> <p>14 respects identical. That means that if I cut the</p> <p>15 price of my tacos more people come to me. If I</p> <p>16 raise the price of my tacos fewer people come to</p> <p>17 me. That is not a completely horizontal demand</p> <p>18 curve. So in that sense -- and that's the sense in</p> <p>19 which George is using it here in a lot of this</p> <p>20 discussion -- one might say that there's a degree</p> <p>21 of monopsony power if we define -- if we define</p> <p>22 monopsony power to mean that if I cut my price I</p> <p>23 sell more and if I raise my price I say monopsony</p> <p>24 power in that case. And you can do the same thing</p> <p>25 on the other side of the market. So, you know, my</p>	<p style="text-align: right;">343</p> <p>1 now I'm hiring workers for my taco stand?</p> <p>2 Q. Yes.</p> <p>3 A. So there's a toll that prevents people</p> <p>4 from the other side of town getting to my taco</p> <p>5 stand?</p> <p>6 Q. Yes, and vice-versa.</p> <p>7 A. Okay. So yeah, there's fewer people that</p> <p>8 I can hire from the other side of town.</p> <p>9 Q. So now as compared to a world with the</p> <p>10 hundred-dollar toll and the world without the</p> <p>11 hundred-dollar toll, the two taco stands in the</p> <p>12 world with the hundred-dollar toll have more</p> <p>13 monopsony power than the world without the</p> <p>14 hundred-dollar toll, correct?</p> <p>15 MR. WIDNELL: Objection, form.</p> <p>16 BY THE WITNESS:</p> <p>17 A. I think what you're trying to say is</p> <p>18 that -- let's say here's A and B taco stands and</p> <p>19 the middle of town is halfway in between, and then</p> <p>20 I build a wall, okay, the Berlin Wall there so</p> <p>21 people can't get across from -- from -- so people</p> <p>22 between halfway and my taco stand and the</p> <p>23 percentage -- there's nobody else in town -- can</p> <p>24 only work for my taco stand. They can't go work</p> <p>25 for the other taco stand.</p>

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<p style="text-align: right;">344</p> <p>1 Q. Correct. 2 A. Is that what we're saying? 3 Q. Yes. 4 A. Yeah. So these people have fewer options. 5 I got it. 6 Q. And when you compare the world with the Berlin Wall in your example in the world without the Berlin Wall, the firm with the Berlin Wall has more monopsony power, correct? 7 A. The firm with the -- the firm -- I -- I 8 won't be competing as aggressively to get people 9 from across the place where the border is now. So, 10 you know, I don't know how things played out in the 11 output market. I mean, I understand what you're 12 trying to say and you're saying the same thing 13 here, and you're saying the same thing that I said. 14 There's a degree of monopsony power. You didn't 15 need the wall. I already said there's a degree of 16 what some people would call monopsony power there 17 by the fact that it is -- it is costly to move from 18 A to B. 19 Q. And -- 20 A. So if it became more costly to move from A 21 to B, that degree of -- of control over price would 22 increase a little bit.</p>	<p style="text-align: right;">346</p> <p>1 Q. So all things equal, the higher the mobility costs in the example the more monopsony power the firms in that example have, all things equal; is that right? 2 MR. WIDNELL: Objection, form. 3 BY THE WITNESS: 4 A. It was important that you said twice "in that example." So I agree. 5 Q. And in that example we're talking about taco stands, right? These aren't Taco Bell, right? It could be a small firm that has some degree of monopsony power; is that right? 6 A. Yes. Well, as the term -- as we're using the term. It's just a dangerous term on both sides of the market. 7 Q. Is it fair to say that one reason why non-Zuffa firms employ some of the challenged contractual provisions that we've talked about is to restrain the mobility of the fighters that work for them? 8 A. It's to do all the things we've discussed before that -- you know, to see to it that they get the returns on their investments and that their ability to manage a multi-bout career progression is not interfered with.</p>
<p style="text-align: right;">345</p> <p>1 Q. So all things equal, the higher the mobility costs in your example the higher the monopsony power of the firms, correct? 2 MR. WIDNELL: Objection, form. 3 BY THE WITNESS: 4 A. Yeah. It depends on how we make the mobility costs and things like that. It depends on what we do with the mobility costs. 5 Q. We raise the costs. So go back to my toll example. Assume that the Berlin Wall costs \$100 to get from one side to the other and now assume it costs a thousand dollars to get from one side to the other. As compared to the world where it costs a hundred dollars to the world where it costs a thousand dollars, the firms in the world where it costs a thousand dollars would have a higher degree of monopsony power than the -- all things equal, than the firms in the world where it costs a hundred dollars. 6 A. I think what you're trying to establish is that the people on my side of the wall have fewer places -- because there's only two places, have fewer places at which they can work and that affects the wage that I have to pay to get them to work for me, and I agree with that.</p>	<p style="text-align: right;">347</p> <p>1 Q. And one way in which they achieve those ends is by restricting the mobility of the workers, correct? 2 A. In the sense that I just used, yes. 3 Q. And so in that sense even these smaller promotions can use these contracts to gain some measure of monopsony power; is that right? 4 A. No.</p> 

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	349	1 2 3 4 5 6 7 8 9 10 11	A. You said 245, right? Q. Yes. A. 245 is the bottom right of the second page. Q. Yes. A. Okay. Q. After the title page. All right. I'm going to draw your attention to the testimony beginning at line 3 on page 245, and I'll read it into the record and then we can discuss it.	[REDACTED]
	350	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	Q. All right. You can put that aside. Have you seen evidence that -- in the record that certain MMA promotions other than Zuffa, smaller MMA promotions have said that they would abandon certain of the contractual provisions if the UFC would? A. That sounds like something that might get you in antitrust trouble anyway, but the -- I haven't seen statements to that effect, but I'm sure you'll show me. MR. CRAMER: Okay. All right. I'm going to have the court reporter mark as the next exhibit a series of e-mails. (Topel Exhibit 11 was marked as requested.) BY MR. CRAMER: Q. The court reporter has marked as Exhibit 11 a two-page document bearing the Bates range ZFL-1904802 through 4803, and I'd like to draw your attention to the e-mail at the bottom of the page from Michael Chiappetta to Anthony Evans at the UFC. A. Yes. Q. And then I'm particularly talking about	[REDACTED]
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<p style="text-align: right;">352</p> <p>1 the run -- one at 4:43 p.m. from Chiappetta who is 2 talking about a conversation he had with Bjorn 3 Rebney. Bjorn Rebney was the head of Bellator at 4 the time and this is dated September 25th, 2012. 5 And I'd like to turn your attention to the next 6 page where Chiappetta, who is a reporter, is 7 reporting a conversation that Chiappetta had with 8 Rebney to the UFC.</p> <p>9 A. Can I -- can I just read the rest of 10 this.</p> <p>11 Q. Please do.</p> <p>12 (Witness reviewing document.)</p> <p>13 BY THE WITNESS:</p> <p>14 A. Remind me who Mike is because you've only 15 got a Gmail address.</p> <p>16 Q. Mike Chiappetta is an MMA reporter. 17 Anthony Evans is an executive at the UFC. 18 A. So he's conveying some conversation that 19 he had with somebody at Bellator; is that what he's 20 doing?</p> <p>21 Q. Correct. Chiappetta communicated with 22 Bjorn Rebney, who was the President of Bellator at 23 the time, and then he's communicating a 24 conversation that Chiappetta had with Rebney to the 25 UFC. And on the second page of the e-mail --</p>	<p style="text-align: right;">354</p> <p>1 these clauses is to protect the investments that 2 have already occurred.</p> <p>3 Now, on the first page here it says that 4 "The matching rights clause for fighters that have 5 been released, Bellator has it in their contracts 6 and Dana" -- I take it that's Dana White -- "said 7 last week that UFC has in their contracts too. 8 Although he said it's never been used." So this 9 is -- it's an equilibrium where this contract 10 restriction has not been used. It could be still 11 binding, but it hasn't been used.</p> <p>12 Q. Is it your opinion that the right to match 13 clause has never been, quote/unquote, used?</p> <p>14 A. I didn't offer that opinion. I'm just 15 saying that that's what it says here.</p> <p>16 Q. Is it your opinion that if the UFC has 17 never during -- had never during a right to match 18 period matched a rival's bid that that would mean 19 the right to match clause had no effect in the 20 marketplace?</p> <p>21 A. That was the implication that I was trying 22 to convey at the end of my answer. That doesn't 23 mean that it's not binding. It doesn't mean that 24 it doesn't have an effect. It's not -- it's not 25 put into the contracts for nothing. It serves a</p>
<p style="text-align: right;">353</p> <p>1 A. He says "Eventually"; is that sentence 2 you'd like me to read?</p> <p>3 Q. Yes. Chiappetta says "Eventually he" -- 4 referring to Rebney -- said "he would be willing to 5 do away with the section that allows them to 6 release a fighter and retain matching rights if 7 Zuffa would also do the same"; do you see -- do you 8 see that?</p> <p>9 A. I see that.</p> <p>10 Q. Do you know whether Zuffa eliminated the 11 right to match clause in response to Rebney's 12 challenge?</p> <p>13 MR. WIDNELL: Objection, form.</p> <p>14 BY THE WITNESS:</p> <p>15 A. Well, you know, I don't know if there was 16 an actual challenge. This is being relayed by a 17 reporter. We know how sometimes that can get 18 muddled. But I don't know if this is in -- this 19 sounds like it's in the context of a particular 20 transaction, but, you know, one wouldn't be 21 surprised if some competitor would say, hey, you've 22 invested a lot in all these folks, wouldn't you 23 like to get rid of this clause because then, you 24 know, it would give us greater access to the people 25 you've invested in. That's the point of having</p>	<p style="text-align: right;">355</p> <p>1 purpose.</p> <p>2 Q. So even if the right to match clause has 3 never been, quote/unquote, used, it's still having 4 an effect in the marketplace, correct?</p> <p>5 A. It could be having an effect in the 6 marketplace even if they've never had to invoke.</p> <p>7 Q. And why is that?</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 Q. Sounds to me like that answer said the 18 right to match is not doing any work. How is the 19 right to match doing any work, procompetitive work 20 or anticompetitive work, economic work if Zuffa 21 would just outbid any potential rival? Why doesn't 22 Zuffa just get rid of the right to match, then, if 23 it knows it can just outbid any rival?</p> <p>24 A. Well, we go through this in my report.</p> <p>25 [REDACTED]</p>

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<p style="text-align: right;">356</p> <p>[REDACTED]</p> <p>3 if it came down to, oh, why don't they just -- why 4 don't they just outbid, well, if Bellator makes its 5 best offer and it knows that Zuffa will match, 6 then, you know, the returns to making its best 7 offer aren't as high as otherwise. Now, take 8 that -- take away the right to match and you come 9 back to the example that I have in my report about 10 the holdup problem where you're more valuable to 11 Zuffa, the athlete knows it. So now you've got a 12 bilateral negotiation where there's no determinant 13 solution in economics except that it's going to be 14 somewhere in between and depends on the relative 15 intransigence of the two parties where you're going 16 to end up.</p> <p>Q. So you just said --</p> <p>A. Let me finish. So I said that the -- what I've just described is the holdup problem that's in my report that the right of first refusal is designed to avoid.</p> <p>Q. One of the things you said is that if Bellator makes its best bid during a UFC right to match period the returns to Bellator to making that [REDACTED]</p>	<p style="text-align: right;">358</p> <p>1 to match period or a fighter who has waited a year 2 and we're a day after the right to match period is 3 over, would Bellator's incentives to make a bid be 4 different once the right to match period expires 5 than during the right to match?</p> <p>6 A. They could be, though there's a question 7 of why Bellator make an offer in the right to match 8 period and they're gaining information about this 9 fighter from the fact that -- it's your 10 hypothetical. There's no contract between Zuffa 11 and the fighter a year after the end of his 12 contract. So you're -- Bellator's looking at that 13 at the end and saying, you know, winner's curse 14 might be operative here. So if we win what is it 15 that Zuffa knew about this fighter that we don't.</p> <p>16 Q. Well, assume that Zuffa made a bid and the 17 fighter didn't accept it.</p> <p>18 A. Okay.</p> <p>19 Q. I'll withdraw it. I'm going to move on. Would you agree with me that the conduct engaged in by a firm without market power could be -- could have anticompetitive effects when that same conduct is engaged in by a firm with market power?</p> <p>20 A. That's conceivable.</p>
<p style="text-align: right;">357</p> <p>[REDACTED]</p> <p>4 that says here's what this athlete is worth to us 5 and let us assume -- and that's the assumption of 6 my example -- that the athlete is worth more 7 because of past investments to Zuffa than to 8 Bellator. So in making this offer you're not 9 certain of what the value to Zuffa is, but it's 10 very likely to be higher. So I put all the -- I 11 put all the numbers into a contract, the athlete 12 takes the contract to Zuffa, and Zuffa says done, 13 we'll pay that, and that's our right of first 14 refusal. And so we can invoke that.</p> <p>Q. So what effect, in your view, does that have Bellator's incentives to make a bid?</p> <p>A. Bellator may have -- well, relative to what because I don't -- if -- if it's -- I think we went over this yesterday. Suppose we canceled the right -- in one guy's contract, everybody else's contract stays the same. I know we did this --</p> <p>Q. I think I can make it easier.</p> <p>A. I know we did this yesterday.</p> <p>Q. We did. I think I can just make it easier. The right to -- a fighter during the right</p>	<p style="text-align: right;">359</p> <p>1 Q. How is that conceivable?</p> <p>2 A. Well, take the -- I mean, often in 3 contract disputes under section 2, like exclusive 4 dealing or loyalty discounts or something like 5 that, under certain prerestrictive conditions 6 things that have procompetitive effects can also 7 have anticompetitive effects if certain conditions 8 are satisfied.</p> <p>9 Q. Well, is bundling -- product bundling one 10 of those examples? Product bundles has many 11 procompetitive effects and when engaged in by a 12 firm without market power in any of the markets in 13 which the products they're bundling --</p> <p>14 MR. WIDNELL: Objection, form.</p> <p>15 BY MR. CRAMER:</p> <p>16 Q. I'll rephrase. Could bundling be one of 17 those examples where product bundling can be 18 anticompetitive when engaged in by a firm with 19 market power and procompetitive when engaged in by 20 a firm without market power?</p> <p>21 A. Yes, that's -- I mean, that and a myriad 22 of other examples under section 2.</p> <p>23 MR. WIDNELL: I just want to make clear, 24 you're asking for an economic opinion here, not a 25 legal opinion; is that right?</p>

24 (Pages 356 to 359)

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<p style="text-align: right;">372</p> <p>1 present a competitive threat to the UFC? 2 A. They might have. I think all firms in 3 this market present a competitive threat to UFC.</p> <p>4 Q. So when Zuffa purchased Strike Force, for 5 example, it was eliminating, in your opinion, a 6 competitive threat; is that right?</p> <p>7 A. Well, no. The -- take Strike Force, for 8 example. You know, everybody in the -- if they 9 bought some small firm there's some competition 10 from that firm, that's all I'm saying. I mean, we 11 wouldn't want to say that these firms are in the 12 market and they don't compete with Zuffa. They 13 were competing for athletes, they were competing 14 for eyeballs, they were competing, and the question 15 is whether it was addressed by antitrust 16 authorities and the like is whether these 17 acquisitions materially affected competition in the 18 market. Evidently they found that they didn't. 19 So -- but these were -- these were firms operating 20 and there are always benefits and potential costs 21 of allowing acquisitions.</p> <p>22 Q. At the time that Strike Force was 23 purchased in 2010, did Strike Force, in your 24 opinion as an economist, present a significant 25 economic threat to the UFC?</p>	<p style="text-align: right;">374</p> <p>1 not profitable and doesn't do business in the 2 United States?</p> <p>3 Q. Is it your opinion that Bellator has 4 substantial market share and is profitable?</p> <p>5 A. It's -- it's got a substantial position in 6 the market and it seems to be surviving.</p> <p>7 Q. Is it your opinion that Bellator is 8 profitable currently?</p> <p>9 A. Well, it's an ongoing entity. So the 10 present discounted value of what those investors 11 think that this project is worth must be 12 positive.</p> <p>13 Q. Is it your opinion that the revenues that 14 Bellator brings in in any year exceed the costs of 15 running the organization in that year?</p> <p>16 A. I've not looked at the balance sheets of 17 Bellator, but given that they're still in business, 18 there must be some anticipation of positive cash 19 flow even if it's negative today.</p> <p>20 Q. So you're saying that it's your 21 understanding that there's an anticipation that 22 Bellator will one day be profitable, but you don't 23 understand that Bellator's profitable today; is 24 that right?</p> <p>25 MR. WIDNELL: Objection, form.</p>
<p style="text-align: right;">373</p> <p>1 MR. WIDNELL: Objection, form. 2 BY THE WITNESS: 3 A. Not such a threat that the acquisition 4 would have -- would have materially affected 5 competition to the detriment of consumers and -- 6 and fighters.</p> <p>7 Q. Did Pride at the time it was purchased 8 present a significant economic competitive threat 9 to Zuffa at the time it was purchased?</p> <p>10 A. And my answer's the same.</p> <p>11 Q. Would it be the same for all of the 12 entities?</p> <p>13 A. Yes.</p> <p>14 Q. Is it fair to say that even if we put the 15 promoters that Zuffa acquired aside --</p> <p>16 A. Let me finish -- let me say -- I should 17 have put the word "adversely" affect competition.</p> <p>18 Q. Is it fair to say, putting the promoters 19 that Zuffa acquired aside, that your report does 20 not identify a single MMA promotion other than 21 Zuffa that does business in the United States that 22 had substantial market share and was profitable?</p> <p>23 MR. WIDNELL: Objection, form.</p> <p>24 BY THE WITNESS:</p> <p>25 A. Are we -- are we saying that Bellator's</p>	<p style="text-align: right;">375</p> <p>1 BY THE WITNESS: 2 A. Well, I'm not -- I'm not offering an 3 opinion of whether they have positive cash flow 4 today.</p> <p>5 Q. When in your --</p> <p>6 A. Just as Zuffa did not have positive cash 7 flow when it was a young and nascent participant in 8 this market.</p> <p>9 Q. When, in your opinion, did Bellator come 10 to have significant market share in the United 11 States?</p> <p>12 A. I don't recall the time series on 13 Bellator's market share. I recall that they have 14 television contracts. They're backed by Viacom and 15 so on.</p> <p>16 Q. Putting Bellator aside for the moment, can 17 you identify another MMA promotion that does 18 business in the United States that has significant 19 market share, in your opinion, and is profitable?</p> <p>20 A. Well, a lot of these must be profitable. 21 King of the Cage has been around putting on dozens 22 of events every year for many years. There's a 23 long list of promoters that are -- that are doing 24 this and -- you know, the market share you're 25 referring to is very limited in its scope because</p>

28 (Pages 372 to 375)

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<p style="text-align: right;">376</p> <p>1 it only focuses on a certain identified group of 2 fighters, but on any given weekend there are 3 hundreds -- or any given month, let's say, 4 hundreds, maybe thousands of these events going on 5 across the country that have nothing to do with 6 Zuffa.</p> <p>Q. Is it your opinion that King of the Cage has a -- earns a substantial share of the revenues brought in by MMA events in the United States?</p> <p>10 A. That's not what I said. I just said it's 11 out there, it's surviving, it must be making 12 money.</p> <p>Q. Do you know whether King of the Cage copromotes events for other MMA promoters?</p> <p>13 A. They might.</p> <p>14 THE REPORTER: Can we take a break?</p> <p>15 MR. CRAMER: Yes. Let's go off the record.</p> <p>16 THE VIDEOGRAPHER: Going off the record at 17 11:19.</p> <p>18 (A short break was had.)</p> <p>19 THE VIDEOGRAPHER: We're going back on the 20 record at 11:35. This begins disk No. 3.</p> <p>21 BY MR. CRAMER:</p> <p>Q. You testified about certain MMA promotions</p>	<p style="text-align: right;">378</p> <p>1 and other stuff.</p> <p>Q. Well, let's talk about the Minor Leagues in baseball. Is it fair to say that one purpose to which NBA -- I'm sorry -- Major League Baseball clubs use the Minor Leagues is to develop talent that ultimately would make it to the Major Leagues correct?</p> <p>8 A. Of course.</p> <p>Q. And is there a similar purpose in MMA for Minor Leagues?</p> <p>9 MR. WIDNELL: Objection, form.</p> <p>10 THE REPORTER: I'm sorry. I can't hear you.</p> <p>11 MR. WIDNELL: Objection, form. Can you hear me?</p> <p>12 BY THE WITNESS:</p> <p>13 A. First of all, I don't think there are any 14 Minor Leagues. Maybe the better analogy is to 15 soccer where one can aspire to be premiere league 16 and might move up over time. Whereas I don't think 17 the -- I've got to remember a team that's in the 18 Pacific. The Albuquerque whatevers are not 19 aspiring to be a major league franchise.</p> <p>20 (Topel Exhibit 13 was marked 21 as requested.)</p>
<p style="text-align: right;">377</p> <p>1 like King of the Cage a moment ago; do you recall 2 that?</p> <p>3 A. Yes.</p> <p>4 Q. Are you aware that there's evidence that 5 Zuffa considered some of these MMA promotions, 6 quote/unquote, minor leagues?</p> <p>7 A. Yes.</p> <p>8 Q. What did it mean to be a minor league in 9 the MMA business?</p> <p>10 A. I don't think there's a formal definition. 11 I could only give you what, you know, somebody 12 might extend from baseball to -- because that's 13 where it -- the term is generally used, to some 14 other sport.</p> <p>15 Q. So what does it mean to you in baseball?</p> <p>16 A. That, you know, the Minor Leagues like AAA 17 or Pacific Coast Leagues or places where -- where 18 athletes play either because they like playing or 19 because they hope to make it to the Major Leagues. 20 You can have a career there, that it's in the 21 business, and the teams are viable.</p> <p>22 Q. And basketball has the G league; is that 23 right? Used to be the D league.</p> <p>24 A. I don't know whether it's called the 25 G league. The Continental Basketball Association</p>	<p style="text-align: right;">379</p> <p>1 BY MR. CRAMER:</p> <p>2 Q. All right. I've had the court reporter 3 mark as Topel Exhibit 13 the next document. I'm 4 going to put it in front of you. This is a 5 document written by Zuffa's lawyers, Axinn Veltrop 6 Harkrider, LLP. It's entitled "The FTC's 7 Investigation of Zuffa's Conduct Should be Closed." 8 It bears the Bates range ZFL-1212232 through 259, 9 and I'll note for the record that you cite this 10 document in paragraph 79, footnote 134. You can 11 verify that. Page 34.</p> <p>12 (Witness reviewing document.)</p> <p>13 BY THE WITNESS:</p> <p>14 A. Okay.</p> <p>15 Q. The document you're citing is in 16 paragraph -- footnote 134.</p> <p>17 A. Yes.</p> <p>18 Q. Okay. So you recall this document?</p> <p>19 A. I recall elements of this document. As I 20 look at the cover of it, I don't recall the 21 cover.</p> <p>22 Q. And it was written by Zuffa's lawyers 23 relating to the UFC's acquisition of Strike Force; 24 is that right?</p> <p>25 [REDACTED]</p>

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	380		382
3	[REDACTED]	[REDACTED]	[REDACTED]
4	Q. And do you know what the Federal Trade Commission was doing investigating Zuffa after this	[REDACTED]	[REDACTED]
5	Strike Force acquisition?	[REDACTED]	[REDACTED]
6	A. My recollection was it was looking to see	[REDACTED]	[REDACTED]
7	whether the acquisition had procompetitive effects	[REDACTED]	[REDACTED]
8	and whether contract terms also had procompetitive	[REDACTED]	[REDACTED]
9	or -- balancing procompetitive and any potential	[REDACTED]	[REDACTED]
10	anticompetitive effects.	[REDACTED]	[REDACTED]
11	Q. So this document is from 2010; is that	[REDACTED]	[REDACTED]
12	right? I'm sorry. 2011.	[REDACTED]	[REDACTED]
13	A. It would have to be from around that date	[REDACTED]	[REDACTED]
14	I assume, but I don't see any date on this. So...	[REDACTED]	[REDACTED]
15	Q. It discusses on, for example, page 4 and 5	[REDACTED]	[REDACTED]
16	some documents from 2011.	[REDACTED]	[REDACTED]
17	A. Unless they had a time machine, then	[REDACTED]	[REDACTED]
18	they --	[REDACTED]	[REDACTED]
19	Q. So it had --	[REDACTED]	[REDACTED]
20	A. I'll stipulate for the purpose of this	[REDACTED]	[REDACTED]
21	discussion that it's from sometime after November	[REDACTED]	[REDACTED]
22	of 2011.	[REDACTED]	[REDACTED]
23	Q. Late 2011, early 2012; is that fair?	[REDACTED]	[REDACTED]
24	A. Let's see where we can go with that. If	[REDACTED]	[REDACTED]
25	it turns out to be false, I'm sure that the	[REDACTED]	[REDACTED]
	381		383
1	gentleman to my left will have something to say	[REDACTED]	[REDACTED]
2	about it.	[REDACTED]	[REDACTED]
3	MR. WIDNELL: Just for the record, you've	[REDACTED]	[REDACTED]
4	introduced a textbook that's dated 2018.	[REDACTED]	[REDACTED]
5	MR. CRAMER: It's true, we have. So there	[REDACTED]	[REDACTED]
6	was some time travel.	[REDACTED]	[REDACTED]
7	BY MR. CRAMER:	[REDACTED]	[REDACTED]
8	Q. All right. Please turn to page 10 of the	[REDACTED]	[REDACTED]
9	document. There's a caption under the number 7	[REDACTED]	[REDACTED]
10	that says "Other strong potential competitors are"	[REDACTED]	[REDACTED]
11	--	[REDACTED]	[REDACTED]
12	THE REPORTER: I'm sorry. I'm having hard	[REDACTED]	[REDACTED]
13	time hearing. Can you start over?	[REDACTED]	[REDACTED]
14	MR. CRAMER: Yeah.	[REDACTED]	[REDACTED]
15	BY MR. CRAMER:	[REDACTED]	[REDACTED]
16	[REDACTED]	[REDACTED]	[REDACTED]
17	Q. Andrew Dick works for the same	[REDACTED]	[REDACTED]
18	organization that you work for, correct?	[REDACTED]	[REDACTED]
19	A. I believe he's a CRA employee.	[REDACTED]	[REDACTED]
20	Q. What is a CRA employee?	[REDACTED]	[REDACTED]
21	A. Charles River Associates.	[REDACTED]	[REDACTED]
22	Q. And you're associated with CRA?	[REDACTED]	[REDACTED]
23	A. Yeah. I'm a senior consultant there.	[REDACTED]	[REDACTED]
24	We're not in the same office. I don't interact	[REDACTED]	[REDACTED]
25	with Mr. Dick.	[REDACTED]	[REDACTED]

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	392		394
	[REDACTED]		[REDACTED]
11	Q. Is it fair to say that Zuffa purchased		
12	Invicta's entire straw weight division?		
13	THE REPORTER: Straw?		
14	MR. CRAMER: Straw weight, S-T-R-A-W.		
15	BY THE WITNESS:		
16	A. I believe that that's true.		
17	Q. Do you know one way or another whether		
18	Zuffa believed that Invicta was in essence a		
19	women's minor MMA league?		
20	MR. WIDNELL: Objection, form.		
21	BY THE WITNESS:		
22	A. Beyond this I have no recollection of		
23	whether they -- somebody there, everybody there, or		
24	whether Invicta thought they were a women's minor		
25	league. I just don't know.		
	393		395
1	Q. Okay. You can put that aside.		
2	Turn to paragraph 74 of your report,		
3	please. In paragraph 74 through 76 you identify		
4	fighters who competed in UFC who then went on to		
5	compete for other MMA promotions; is that right?		
6	A. Yes, I do.		
7	Q. Do you have any evidence that -- with		
8	respect to any of the fighters that you discuss in		
9	these paragraphs that Zuffa wanted to keep them?		
10	A. You mean do I have some e-mail that says		
11	we want to keep this person? No. Only that		
12	they've gone on to fight elsewhere and they've --		
13	they've -- they've demonstrated some success.		
14	Q. All right. So with respect to the		
15	fighters you identify in paragraph 74, 75, and 76,		
16	you don't know one way or another whether Zuffa cut		
17	the fighters and then they went on to have success		
18	at other promotions or whether Zuffa -- or whether		
19	these fighters went to other promotions against the		
20	will of Zuffa?		
21	MR. WIDNELL: Objection, form.		
22	BY THE WITNESS:		
23	A. Against the will of Zuffa?		
24	Q. Do you know when -- I'll withdraw the		
25	question.		

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	396	
		[REDACTED]
12		[REDACTED]
13		[REDACTED]
14		[REDACTED]
15		[REDACTED]
16	Q. Yeah. And does that -- is that consistent 17 with your understanding of Zuffa's retention rate 18 with athletes?	A. Yes. And put that in the context of what 19 I just said. If the guy doesn't want to be part 20 of -- I could see how management says the people 21 who don't want to be here are the ones that we 22 don't want to keep because we're working on the 23 value of the brand. I'm not trying to argue with 24 you. I'm just trying to see this -- interpret what 25 this thing says in context.
16	BY THE WITNESS:	Q. Can you identify --
17	MR. WIDNELL: Objection, form.	A. I will tell you that I've heard phrases 18 like this a thousand times at -- where I work that
19	BY THE WITNESS:	Q. All right. You can put that aside. 20 Turn to paragraph 103, please. Actually,
21	22	23
24	25	397
1	2	3
2	3	4
3	4	5
4	5	6
5	6	7
6	7	8
7	8	9
8	9	10
9	10	11
10	11	12
11	12	13
12	13	14
13	14	15
14	15	16
15	16	17
16	17	18
17	18	19
18	19	20
19	20	21
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23	24	25
24	25	398
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7	8	9
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22	23	24
23	24	25

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		400	
		401	
24	Q. Well, let's say the UFC comes to this 25 fighter, as it frequently did I think you pointed		402
1	out in your report, before the last bout in his 2 contract and says I have a new contract for you, 3 it's got four more bouts, it will include higher 4 compensation, sign it. In order for the fighter to 5 leave the UFC he'd have to turn that down, 6 correct?	403	
7	MR. WIDNELL: Objection, form.		
8	BY THE WITNESS:		
9	A. Well, I don't know if he has to turn it 10 down or not. The university puts a contract in 11 front of me and I say I'm not signing it yet.		
12	Q. Okay.		
13	A. You know, it's a -- I don't know what the 14 fuse is. I don't know anything about this 15 negotiation so far except what you're telling me.		
16	Q. At minimum he would have to say I'm not 17 signing it yet, correct?		
18	A. Yeah. He wouldn't sign it yet because you 19 have -- you've assumed that he was really hoping to 20 go somewhere else.		

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	408		410
	[REDACTED]		[REDACTED]
7		A. Can I see what you're reading?	
8		Q. Sure. We'll mark it as the next exhibit.	
9			
10		(Topel Exhibit 16 was marked	
11		as requested.)	
12		BY MR. CRAMER:	
13		Q. What's been marked as Exhibit 16 is a	
14		two-page series of e-mails bearing the Bates range	
15		ZFL-1000978 through 979. The top has an e-mail	
16		from Lawrence Epstein to Michael Mersh CC'g Joe	
17		Silva dated May 2nd, 2013.	
18		A. Let me just read the document.	
19		I guess I -- should I be reading this in	
20		reverse order?	
21		Q. Yes.	
22		A. Does it begin at the -- okay.	
23		Q. The first e-mail's at the bottom.	
24		A. Okay.	
25		Q. I'll walk you through it. The first	
	409		411
	[REDACTED]		[REDACTED]
1		e-mail at the bottom from --	
2		A. No. Let me walk me through it. So...	
3		(Witness reviewing document.)	
4		BY THE WITNESS:	
5		A. So who's McGann?	
6		Q. He is Congo Cheick's representative.	
7		A. Okay. Thank you.	
8		(Witness reviewing document.)	
9		BY THE WITNESS:	
13		Q. Have you seen documents in this case where	
14		a fighter's representative said to Zuffa, look, you	
15		don't intend to give us another contract, my guy	
16		would like to go fight for another promotion, will	
17		you release him from the right to match and Zuffa	
18		said no?	
19		A. There might be a case like that. There's	
20		a lot of -- there's a lot of situations that I've	
21		seen.	
22		Q. Have you seen a situation regarding a	
23		fighter named Congo?	
24		A. Congo, that name rings a bell, but I can't	
25		say that I recall the situation of Congo.	

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	412		414
	[REDACTED]		[REDACTED]
6	[REDACTED]		[REDACTED]
7	[REDACTED]		[REDACTED]
8	[REDACTED]		Q. Okay. You can put that aside.
9	[REDACTED]		Turn to paragraph --
10	[REDACTED]		MR. CRAMER: Well, it's about 12:20. Why
11	[REDACTED]		don't we go off the record.
12	[REDACTED]		THE VIDEOGRAPHER: Going off the record at
13	[REDACTED]		12:22.
14	[REDACTED]		(Whereupon, at 12:22 p.m., the
15	[REDACTED]		deposition was recessed, to
16	[REDACTED]		reconvene at 1:00 p.m., this
17	[REDACTED]		same day.)
18	[REDACTED]		
19	[REDACTED]		
20	[REDACTED]		
21	[REDACTED]		
22	[REDACTED]		
23	[REDACTED]		
24	[REDACTED]		
25	[REDACTED]		
	413		415
	[REDACTED]		
1	[REDACTED]		
2	[REDACTED]		
3	[REDACTED]		
4	[REDACTED]		
5	[REDACTED]		
6	[REDACTED]		
7	[REDACTED]		
8	[REDACTED]		
9	[REDACTED]		
10	[REDACTED]		
11	[REDACTED]		
12	[REDACTED]		AFTERNOON SESSION
13	[REDACTED]		(1:13 p.m.)
14	[REDACTED]		THE VIDEOGRAPHER: We are going back on
15	[REDACTED]		the record at 1:13.
16	[REDACTED]		ROBERT TOPEL,
17	[REDACTED]		the witness at the time of recess, having been
18	[REDACTED]		previously duly sworn, was further examined and
19	[REDACTED]		testified as follows:
20	[REDACTED]		EXAMINATION
21	[REDACTED]		(Resumed)
22	[REDACTED]		BY MR. CRAMER:
23	[REDACTED]		Q. Now, we did touch on this a little
24	[REDACTED]		yesterday, but I just want to make sure the record
25	[REDACTED]		is clear. Would you agree with me that as the

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<p style="text-align: center;">416</p> <p>1 marginal revenue product of MMA fighters rises, 2 event revenues rise, all things equal?</p> <p>3 MR. WIDNELL: Objection, form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. You're not saying the other way around. 6 Is it -- is it like something that causes marginal 7 revenue product to rise -- I mean, it doesn't have 8 to come through events. So -- I mean, I -- we're 9 selling stuff, all kinds of things. The marginal 10 revenue product of a fighter is conceptually adding 11 a fighter to the group of other fighters and all 12 the other resources that the firm has and how much 13 revenue goes up. Whether that's realized in event 14 revenue I don't know and so -- an increase in the 15 revenues of the firm attributable to fighters would 16 cause the marginal revenue product of any given 17 fighter to be higher.</p> <p>18 Q. So, all things equal, increase in event 19 revenues would cause the marginal revenue product 20 of any given fighter to rise; is that right?</p> <p>21 A. No. No. I mean, revenues can increase 22 without for any given fighter his marginal revenue 23 product going up.</p> <p>24 Q. The collective marginal -- the collective 25 marginal revenue product of MMA fighters generally,</p>	<p style="text-align: center;">418</p> <p>1 equilibrium. Let's talk about the short term. 2 A. All you're saying -- when you say "short 3 term," you're still talking about equilibrium. 4 You're just telling me that you -- what you want to 5 assume now is that supply's kind of inelastic in 6 the marketplace.</p> <p>7 Q. Over the short run.</p> <p>8 A. Whatever run you want. Okay. Yeah.</p> <p>9 Q. With that assumption, with supply 10 inelastic in the short run, is it fair to say that 11 as fighter marginal revenue product increases, all 12 things equal, you would expect event revenues to 13 increase?</p> <p>14 A. Boy, now we're on -- if -- if -- I think I 15 understand what you're asking. If that's the 16 avenue through which marginal revenue product went 17 up, then, I mean, it could.</p> <p>18 Q. Well, let's -- let's hold all revenue 19 streams constant other than revenue streams -- 20 other than event revenue streams for this question. 21 So the only revenues that -- strike that. I'll 22 withdraw the question and move -- I'll withdraw 23 that last question and move on.</p> <p>24 Would you agree that one determinant of 25 event revenues is fighter marginal revenue product?</p>
<p style="text-align: center;">417</p> <p>1 is that a concept that makes sense to you? The 2 productivity of MMA fighters increases for some 3 reason.</p> <p>4 MR. WIDNELL: Objection, form.</p> <p>5 BY MR. CRAMER:</p> <p>6 Q. Let's say --</p> <p>7 A. I just need -- I just need to think what 8 could be meant by the collective --</p> <p>9 Q. Let's say Zuffa over time invests 10 resources in promoting its fighters so that they 11 can bring in more event revenues over time.</p> <p>12 A. Well, this is something we did talk about 13 in some detail yesterday, and some -- we even had a 14 picture that we worked on yesterday. Do you 15 remember that?</p> <p>16 Q. I do, yes.</p> <p>17 A. And there's a difference between the 18 marginal revenue product of a fighter at any given 19 level of fighters in equilibrium marginal revenue 20 product of a fighter. So if the marginal revenue 21 product of fighters in the industry went up but 22 supply's highly elastic, you could have no change 23 in the marginal revenue product of a fighter in 24 equilibrium because employment expands and so on.</p> <p>25 Q. All right. Let's not talk about</p>	<p style="text-align: center;">419</p> <p>1 A. One -- we keep framing this in terms of 2 marginal revenue product. One determinant of event 3 revenues is the popularity and therefore, let's 4 say, willingness to pay of customers to watch.</p> <p>5 Q. Okay. So one determinant of event 6 revenues is the popularity and willingness of 7 customers to pay to see fighters fight; is that 8 right?</p> <p>9 A. Sure.</p> <p>10 Q. And is it also fair to say that --</p> <p>11 A. Again, given the -- I don't want to call 12 it short run, but given the elasticity of supply of 13 events.</p> <p>14 Q. Okay. And is it also fair to say that 15 fighter compensation is in part determined by the 16 willingness of people to spend money to watch 17 fighters fight?</p> <p>18 A. It --</p> <p>19 MR. WIDNELL: Objection, form.</p> <p>20 BY THE WITNESS:</p> <p>21 A. Sorry. It depends on how elastic the 22 supply of fighters is.</p> <p>23 Q. And if we make the same assumption for 24 this question that there's an upward sloping supply 25 curve, would you agree with me that fighter</p>

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<p>1 compensation is, in part, determined by the 2 willingness of people to pay to see fighters fight? 3 A. To the extent that we're talking about 4 things that change the demand for fighters and in 5 moving along a supply curve, then greater 6 willingness to pay downstream raises the demand for 7 fighters and compensation should rise to the 8 extent -- depending on the elasticity of supply of 9 fighters.</p> <p>10 Q. So it's fair to say that both fighter 11 compensation and event revenues are both, in part, 12 determined by the willingness of individuals to pay 13 to see fighters fight; is that right? 14 A. Would you -- can you read that back? 15 Q. I'll say it again. That fighter 16 compensation and event revenues are both, in part, 17 determined by the willingness of people to pay to 18 watch fighters fight; is that fair? 19 A. Yeah, subject to the conditions I gave. 20 Q. Okay.</p> <p>21 Turn to paragraph 200. Now, in paragraph 22 200 you're criticizing Dr. Singer's damages 23 analysis in part, and in particular in the fourth</p>	<p>420</p> <p>3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED]</p> <p>8 Q. So, in your view, the challenged conduct 9 alters the amount of UFC's revenues and that would 10 in turn alter the total amount of dollars that 11 would be paid to UFC fighters in the but-for world, 12 right?</p> <p>13 A. You're connecting things from all other 14 the place now.</p> <p>15 Q. It's my job.</p> <p>16 A. I know, and I'm -- my job is to listen 17 carefully.</p> <p>18 Q. It is.</p> <p>19 A. Zuffa's producing a product and it's 20 putting on what they call shows, and these -- the 21 challenged conduct here or the restrictions enable 22 them to increase the valuable of those shows and 23 produce a more valuable product. So when we talk 24 about holding revenues constant, you can't take -- 25 you can't take one piece away and leave the other piece intact.</p> <p>22 Q. So, in other words, when you're 23 determining damages you can't just assume that the 24 revenues would be what they were in the actual 25 world because the revenues, in your view, might be</p>
<p>421</p> <p>1 [REDACTED] 2 [REDACTED] 3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 [REDACTED] 12 [REDACTED] 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED] 23 [REDACTED] 24 [REDACTED] 25 [REDACTED]</p>	<p>423</p> <p>1 less, right?</p> <p>2 A. Yeah. If we took these things away from 3 the entire industry, the whole industry might be 4 less valuable.</p> <p>5 Q. So it's not appropriate, in your view, to 6 hold revenues constant because the challenged 7 conduct alters the amount of UFC's revenues, right?</p> <p>8 A. I'm trying to figure out where you're 9 going here, but that's a fact. If you're 10 holding -- he's holding revenues constant.</p> <p>11 Q. Okay. And, in your view, it's not 12 appropriate in evaluating the total possible 13 damages to fighters in this case to use the amount 14 of revenues that UFC actually brought in in the 15 actual world, right?</p> <p>16 MR. WIDNELL: Objection, form.</p> <p>17 BY THE WITNESS:</p> <p>18 A. Yes. Let me put it another way. You 19 referred to the pie yesterday and changing the 20 contract restrictions doesn't mean -- just mean 21 that the same pie is divided up in a different way.</p> <p>22 Q. Okay. So your view is that if in the 23 but-for world we would expect the UFC to bring in 24 lower levels of revenues from their events, that 25 would likely lead to lower athlete compensation,</p>

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<p style="text-align: right;">424</p> <p>1 right?</p> <p>2 A. Depending on how everything else plays 3 out, yeah.</p> <p>4 Q. I mean, you say in paragraph 200 -- we 5 looked at this before in the same paragraph on page [REDACTED]</p> <p>9 Q. Okay. So just so I understand, it's your 10 view that in computing damages in this case the 11 appropriate pool of total event revenues is the 12 amount of event revenues that the UFC would have 13 brought in in the but-for world, not the actual 14 world; am I right about that?</p> <p>15 A. Well, I mean, I don't want you to sneak in 16 some sort of back-handed endorsement of the way 17 Dr. Singer's performing the whole exercise, that 18 it's based on some division of some share of 19 revenues because I think that's a major critical 20 mistake.</p> <p>21 Q. All right. I'm not trying to sneak that 22 in.</p> <p>23 A. Well, I just -- but I've got to be careful 24 here because you're getting me to endorse some 25 concept that's -- you know, endorsing some aspect</p>	<p style="text-align: right;">426</p> <p>1 constant in the actual world that is not an 2 appropriate assumption?</p> <p>3 A. Yes.</p> <p>4 Q. Okay. And the reason why that's not 5 appropriate is because what an economist should do 6 in computing damages in an antitrust trust is take 7 into account all of the differences that would 8 occur in the but-for world, including the total 9 amount of revenues available to pay damages, right?</p> <p>10 A. Well, you're assuming -- you're assuming 11 the appropriateness in that statement of 12 Dr. Singer's damage calculation that's based on a 13 share of revenues, and I'm -- so I'll just put it 14 in the context of his damage calculation, which is 15 just wrong, even within that context if you assumed 16 arguendo it was a way to calculate damages, you'd 17 still have to take into account that the world's 18 going to be different when those contract 19 restrictions are removed.</p> <p>20 Q. Okay. Let's assume that we're talking 21 about an economist that didn't use share in his or 22 her damages analysis. They used wage level. So we 23 don't have the share problem that I think we're 24 getting hung up on. In that situation in 25 attempting to compute the effect of challenged</p>
<p style="text-align: right;">425</p> <p>1 of a -- of a -- of an inappropriate procedure. But 2 the only point I'm making here is that the value 3 produced is going to be different in the but-for 4 world than in the world we're in, and -- because, 5 remember, my opinion is there aren't any damages. 6 So what it means to calculate those damages by the 7 procedures that Dr. Singer's using is kind of a -- 8 let's just put it this way, a very vague concept.</p> <p>9 Q. I understand you have your critiques of 10 Dr. Singer's analysis. I'm just trying to 11 understand the principles behind this particular 12 criticism, and as I understand it the particular 13 criticism is that to the extent Dr. Singer is 14 assuming that revenues are constant in the actual 15 world, that is not an appropriate assumption 16 because what he should be focused on in computing 17 damages are the revenues in the but-for world; is 18 that right?</p> <p>19 A. Let's just say that you -- if I read back 20 your entire sentence there, it was kind of long, 21 and I just stopped with "because" -- I put a period 22 before the "because" and if you'll read back what 23 that says, I think I can agree with that 24 statement.</p> <p>25 Q. Dr. Singer is assuming that revenues are</p>	<p style="text-align: right;">427</p> <p>1 conduct on compensation one would need to assess 2 the total amount of revenues in the but-for world, 3 not the actual world; is that right?</p> <p>4 MR. WIDNELL: Objection, form.</p> <p>5 BY THE WITNESS:</p> <p>6 A. Now I don't know -- where do revenues come 7 into this now? We just took it out of the 8 left-hand side. Maybe -- you know, if I wanted to 9 do a proper analysis I might have to compute the 10 market equilibrium in a world where revenues have 11 changed, but for the purposes of some -- if all 12 we're changing is the regression and saying we're 13 going to put compensation on the left-hand side or 14 the log of compensation on the left-hand side 15 rather than the share of revenues of -- the wage of 16 an athlete divided by event revenue, well, now 17 revenues aren't in the model, correct? They just 18 disappeared.</p> <p>19 Q. Well, let's say that the regression 20 produced a percentage by which compensation was 21 reduced as between the actual world and the but-for 22 world. That's something that could happen with a 23 regression, right?</p> <p>24 MR. WIDNELL: Objection, form.</p> <p>25 BY THE WITNESS:</p>

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<p style="text-align: right;">428</p> <p>1 A. Let's suppose we had a case that -- let me 2 see if I can help you out or you can help me out or 3 we can help each other out. 4 Q. Good. 5 A. Suppose there's a regression of wages on 6 some all-agreed-upon conduct indicator. Okay? So 7 there's -- and there's a before and after. 8 Q. Okay. 9 A. And we say that wages were 2 percent lower 10 controlling for other stuff in the conduct period, 11 okay, and we're not doing anything about the -- 12 forget critiques of whether the conduct -- and 13 suppose it was a really good controlled experiment 14 before and after. 15 Q. Fair enough. 16 A. Then there's a 2 percent impact of the 17 conduct, okay, which, as I just said, we're all 18 going to agree that this is right -- the right way 19 to measure the conduct. 20 Q. Understood. 21 A. Then one would need the stipulation along 22 with that that the practices in question didn't 23 have some offsetting impact that would have raised 24 pay because -- but we have a before and after 25 that's the conduct period. So we've really taken</p>	<p style="text-align: right;">430</p> <p>1 A. For the experiment we just did, you know, 2 we controlled for growth and other stuff and it was 3 just the -- I think if we understand each other, 4 it's a 2 percent reduction in wages. So give them 5 2 percent of their wages. 6 Q. Let's say that the conduct in question had 7 another effect -- strike that. I get it. I'll 8 move on. 9 Paragraph 108, please. You state in 10 paragraph 108 on page 47 -- I think I have the 11 wrong paragraph here. Oh, I mean paragraph 109. 12 You quote or paraphrase something from 13 Dr. Singer. You say "As Dr. Singer notes, athletes 14 value the opportunity to develop their careers by 15 fighting against highly-ranked opponents and 16 audiences are drawn to fights among highly ranked 17 opponents"; do you see that? 18 A. Yes. 19 Q. Do you agree with Dr. Singer's 20 observation? 21 A. That people want to fight highly ranked 22 opponents? 23 Q. Yes. 24 A. Well, they want to fight highly-ranked 25 opponents when they think they're ready to fight</p>
<p style="text-align: right;">429</p> <p>1 that into account. 2 Q. So let's say in your example with the 3 well-specified regression showing a 2 percent 4 decrease in wages after when compared to before 5 that revenues were different in the after period 6 and the before period. Would you multiply the 2 7 percent times the amount of revenues that you 8 thought would be existing in the but-for world or 9 the amount of revenues that would be existing in 10 the actual world? 11 MR. WIDNELL: Objection, form. 12 BY THE WITNESS: 13 A. Okay. Well, see, you know, I didn't 14 succeed in getting us on the same page because you 15 just multiplied by revenues. So revenues just came 16 sneaking in through the back door. It was a 17 2 percent change in their pay, their compensation, 18 their salary. 19 Q. Okay. I understand. 20 A. Revenues is gone. 21 Q. All right. Understood. Okay. So do you 22 multiply, then, by the total amount of compensation 23 paid to the workers in the actual world or the 24 total amount of compensation you believe would have 25 been paid to the workers in the but-for world?</p>	<p style="text-align: right;">431</p> <p>1 highly-ranked opponents. 2 Q. And are audiences drawn to fights among 3 highly-ranked opponents? 4 A. I think -- I think ratings are higher. I 5 think there was some evidence that ratings are 6 higher when highly-ranked people fight against each 7 other. 8 Q. Do you agree that MMA fighters value the 9 ability to develop their careers by fighting 10 against highly-ranked opponents when they're ready 11 to fight them? 12 A. Yeah. I think that's why they sign up. 13 That's one of the reasons they sign up. 14 Q. Is it fair to say that a fighter can't -- 15 cannot advance in the rankings unless that 16 fighter's able to fight other fighters that are 17 ranked higher than them, right? 18 MR. WIDNELL: Objection, form. 19 BY THE WITNESS: 20 A. I don't think that's literally true, but 21 you don't have to fight somebody higher than you to 22 move up. 23 Q. But in order to substantially move up in 24 the rankings, all things equal, it would be better 25 for you to fight higher ranked fighters, correct?</p>

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<p style="text-align: right;">432</p> <p>1 MR. WIDNELL: Objection, form. 2 BY THE WITNESS: 3 A. Since I don't know exactly how the ratings 4 or the rankings happen, let's assume they're like 5 college football rankings, then you take into 6 account the types of opponents you've had and how 7 you did and somebody has a formula that tries to 8 take that into account. Same thing with golf 9 rankings and all sorts of things.</p> <p>10 Q. All things equal, consumers will be willing to pay more to see highly-ranked opponents fight than lower-ranked opponents fight; is that fair?</p> <p>11 MR. WIDNELL: Objection, form. 12 BY THE WITNESS: 13 A. In every instance, no, but on average 14 probably yes.</p> <p>15 Q. Higher ranked fighters, all things equal, generate more revenues when they fight than lower-ranked fighters, correct?</p> <p>16 MR. WIDNELL: Objection, form. 17 BY THE WITNESS: 18 A. Not always, but on average that's probably 19 true.</p> <p>20 Q. Turn to paragraph 96, please. In the</p>	<p style="text-align: right;">434</p> <p>1 platform that has been successful in attracting the 2 top athletes and that complementarity plays a 3 role.</p> <p>4 Q. How do you define "significant share" as you use that term in this sentence?</p> <p>5 A. All other things equal, a firm that is 6 attracting the top athletes will see its share 7 among the top athletes rise.</p> <p>8 Q. And that's because fighters generally have an interest in competing against the best fighters, right?</p> <p>9 A. Well, that's part of it, but the 10 complementarity is there's more energy created when 11 you put the good fighters against each other. So 12 the -- the customers like that too.</p> <p>13 Q. And those are the fights that would likely lead to career advancement and higher compensation ultimately, correct?</p> <p>14 MR. WIDNELL: Objection, form. 15 BY MR. CRAMER:</p> <p>16 Q. The ones with higher energy.</p> <p>17 A. Broadly speaking.</p> <p>18 Q. Broadly speaking, yes?</p> <p>19 A. Broadly speaking, if I -- if I'm 20 successful against higher-ranked people, I will</p>
<p style="text-align: right;">433</p> <p>1 first sentence after the dash you state "There is a natural tendency for a leading promoter to attract a significant share of the top athletes"?</p> <p>2 A. Yes.</p> <p>3 Q. "This follows," you say, "from the complimentarity of athlete talents in producing high-quality bouts" --</p> <p>4 A. That's the point we just made.</p> <p>5 Q. -- "and the desire among athletes to fight against the best"; do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. And you agree with that?</p> <p>8 A. Yes.</p> <p>9 Q. Can you please explain the natural tendency for a leading promoter to attract a significant share of the top athletes. What does that mean?</p> <p>10 A. It means that athletes -- their talents 11 are complementary, that the good athletes want to 12 be in the places where the -- where the other good 13 athletes are so they can fight them. And then 14 it's -- it's kind of a feedback system that you 15 attract some of the good athletes, they fight well, 16 it makes it more attractive for the other good 17 athletes, and so on. So Zuffa kind of runs a</p>	<p style="text-align: right;">435</p> <p>1 probably advance more and get paid more and so on, 2 as I understand the process.</p> <p>3 Q. You can put that paragraph aside.</p> <p>4 Would you agree with me that by restricting fighter mobility used the challenged contracts Zuffa's made it more difficult for other MMA promotions to access UFC's top fighters, all things equal?</p> <p>5 A. No.</p> <p>6 Q. Are you aware that Zuffa and banks working with Zuffa have seen the challenged contracts and describe the challenged contracts as barriers to entry to rivals?</p> <p>7 A. I think I know what you're -- to what you 8 are referring and I wouldn't characterize it that 9 way.</p> <p>10 Q. All right. Would you take a look at what has been marked as Exhibit 12. We marked it earlier today. It was in the pile in front of you.</p> <p>11 A. Exhibit --</p> <p>12 Q. 12. It is the --</p> <p>13 A. It's the Deutsche Bank?</p> <p>14 Q. Correct.</p> <p>15 A. What page do you want?</p> <p>16 Q. I would like you to turn to page 7 of the</p>

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1	then what's the other footnote?		
2	Q. 407.		
3	A. Okay. Somewhere on there -- there it is.		
4	Okay. Same quote. It appears twice.		
5	Q. Okay.		
6	A. Yes.		
7	Q. So you -- you believe this document is a reliable source of information about Zuffa; is that fair?		
8	MR. WIDNELL: Objection, form.		
9	BY THE WITNESS:		
10	A. I believe that Dr. Singer quoted it in the context that it was used by him.		
11			
12	Q. And you quote from it too, right?		
13	A. Well, I'm quoting -- didn't he quote that?		
14	Q. I'm sure that he did, and you did as well.		
15	A. That's his -- that's his quote. So I'm		
16	quoting him.		
17	Q. All right. Do you believe that this document is a reliable source of information regarding Zuffa's business practices?		
18	A. I think it's a reliable source of information for that quote that was provided by Dr. Singer.		
19			
20	Q. Okay.		
21			
		445	447
1	A. What -- what part are you pointing to?		
2	And then we can talk about it.		
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13	Q. You can put that aside.		
14	A. Okay.		
15	Q. Turn to footnote 233 on page 72 of your report.		
16			
17	A. Footnote 233?		
18	Q. Yeah. In the first sentence of footnote		
19			
20			
21			
22			
23	A. Hold on. Let me read it in context.		
24	Okay?		
25	(Witness reviewing document.)		

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1	shouldn't have said we. I'm thinking about a	1	don't remember any documents that say we're going
2	generic firm here. I've got somebody that's got a	2	to -- we think -- we think of weighting or we think
3	high marginal product but I pay that person a lot.	3	of ranking in the following way, but I guess I'd be
4	You know, my incentive to retain that person	4	surprised if they weren't interested in that.
5	depends on how profitable that person is to me. So	5	Q. Are you aware that state athletic
6	if you change your question and say if this person	6	commissions use ranking in deciding whether or not
7	is really profitable to me would I rather not lose	7	to approve fights that MMA promoters like Zuffa
8	them.	8	propose to the commissions?
9	Q. Yes.	9	A. Let me just clarify. Are you -- first of
10	A. Yes.	10	all, I'm not aware that they use ranking. Okay?
11	Q. Turn to footnote 237, please, on page 74.	11	Q. Okay. Would that surprise you?
12	In the third sentence there -- you're talking about	12	A. No.
13	a regression you did, and in the third sentence you	13	Q. Why not?
14		14	A. I suppose it's because -- what immediately
15		15	came to mind, although this isn't part of my
16		16	opinion anywhere, I don't want to be thrown like me
17		17	in against some really accomplished guy, you know,
18		18	because I'm going to end up not feeling very good
19		19	at the end of it.
20		20	Q. And rankings would help determine whether
21	BY THE WITNESS:	21	you, an unranked MMA fighter, and Conor McGregor
22	A. Yes, now I've got to read 2 -- you want me	22	should be fighting against each other?
23	to read 237?	23	MR. WIDNELL: Objection, form.
24		24	BY THE WITNESS:
25		25	A. He could beat me with both hands tied
	453		455
5	Q. And that's because, all things equal, it's	1	behind his back.
6	possible that an athlete's ranking would bear upon	2	Q. And probably both legs tied behind his
7	its compensation?	3	back. All right.
8	A. Well, to put it more broadly, the -- when		
9	we're comparing the compensation across time, we		
10	want to do as much as we can to hold constant the		
11	composition of the fighters in different years.		
12	Q. Would you agree that an athlete's		
13	ranking -- that, all things equal, the higher an		
14	athlete's rank the higher a compensation he will		
15	make?		
16	MR. WIDNELL: Objection, form.		
17	BY THE WITNESS:		
18	A. That should -- did you say on average		
19	something?		
20	Q. On average.		
21	A. I wouldn't be surprised if that's true.		
22	Q. Do you know whether or not Zuffa uses an		
23	athlete's ranking in considering how much to pay a		
24	fighter?		
25	A. I haven't looked. If I have looked, I		

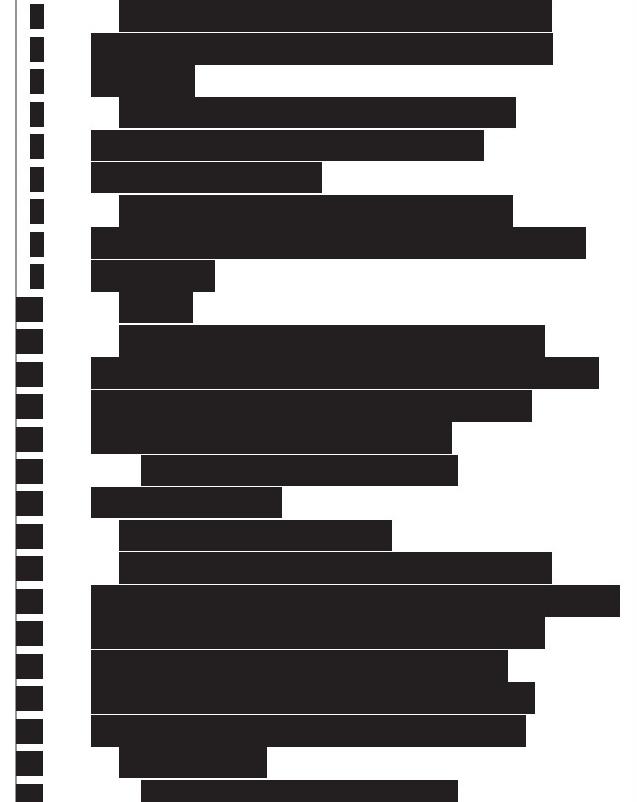
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1	when you run this regression you're going to get 2 that. Unless, as you say, they had some 3 mechanical -- another mechanical thing in there 4 that says every time our revenues go up by 10 5 percent we're going to increase compensation by 10 6 percent, okay, but we're doing a monopsony case 7 here where the allegation is that they reduce 8 compensation. So even if they didn't reduce 9 compensation, even if they didn't change it, even 10 if they increased it by some smaller amount, a bump 11 on this side is going to cause a reduction on this 12 side. It's kind of a teeter-totter.	1	A. I was making a point about the comparative 2 advantage and success of Zuffa. So as Zuffa 3 becomes more successful relative to other firms -- 4 I think I even phrased it this way -- its 5 revenue-weighted share is going to rise.
6	[REDACTED]	6	Q. But the mere fact that Zuffa's event 7 revenues are rising would not automatically cause 8 Zuffa's foreclosure shares to rise, right?
9	[REDACTED]	9	A. If everybody's event revenues rose at the 10 same rate, that would leave Zuffa's -- what he 11 calls -- the share that Mr. Singer calculates 12 would -- if I recall correctly, would not change.
13	[REDACTED]	13	Q. Turn to paragraph 227, please. You say 14 there in the first sentence "The conceptual flaw in 15 Dr. Singer's use of revenue weighted input shares 16 is further illustrated by the following 17 implication. Revenue weighted input shares imply 18 that firms with significant market power in the 19 output market also have a significant market 20 share -- or significant share of the input market." 21 Do you see that?
22	[REDACTED]	22	A. Yes.
23	[REDACTED]	23	Q. And then you say a little bit further on 24 on page 98 "This result is not supported by the 25 economic literature which recognizes that firms
	461		463
1	BY THE WITNESS:	1	with significant market power and share in an 2 output market can operate in and have a small share 3 of a highly competitive input market"; do you see 4 that?
2	A. Then you don't need a regression because 3 you just told me the share never changes. So 4 you're just putting a constant on the left-hand 5 side.	5	A. Yes.
6	Q. Assume for this question that Zuffa's 7 event revenues are increasing but at a slower rate 8 than event revenues at other MMA promotions. Okay?	6	Q. It's fair to say you don't cite anything 7 for that proposition in this report, correct?
9	A. Okay.	8	A. Well, it's just -- you don't have to have 9 market power and inputs -- a firm that has market 10 power and inputs -- excuse me. A firm that has 11 market power and output doesn't -- for most of its 12 inputs doesn't have any market power. I mean, 13 Microsoft buys pencils. It doesn't have any 14 market -- if we stipulate that Microsoft has market 15 power in the output market for the operating 16 systems, it buys pencils competitively.
10	Q. In that instance, all things equal, 11 Zuffa's foreclosure share would fall, right?	17	Q. Now, you're not saying that it's 18 impossible for a firm with monopoly power in the 19 output market to have monopsony power in an input 20 market, are you?
12	MR. WIDNELL: Objection, form.	21	A. No.
13	BY THE WITNESS:	22	Q. You're just saying that the former, 23 meaning monopoly power in the output market, 24 doesn't necessarily imply the latter, monopsony 25 power in the input market, right?
14	A. So -- okay. So you keep the athletes the 15 same, but event revenues rise faster for others? 16 Yeah, that can happen.		
17	Q. So in order for Zuffa's foreclosure share 18 under the revenue-weighted measure to increase, 19 Zuffa must be earning a growing share of all MMA 20 event revenues, right?		
21	A. Yeah. I think that's the point we made in 22 our appendix.		
23	Q. So rising Zuffa event revenues does not 24 automatically cause Zuffa's foreclosure shares to 25 mechanically increase, right?		

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<p style="text-align: right;">464</p> <p>1 A. Correct.</p> <p>2 Q. So assume for this question that there's 3 an MMA promotion that has a monopoly on the 4 promotion of professional MMA events. It's the 5 only one. You would agree that by definition this 6 is the only place an MMA fighter could get paid to 7 compete as an MMA fighter, right?</p> <p>8 MR. WIDNELL: Objection, form.</p> <p>9 BY THE WITNESS:</p> <p>10 A. Yeah. I don't -- I don't disagree with 11 that if they've got a monopoly. It takes -- it 12 takes fighters in the output market to sell 13 services and it takes fighters in the input market 14 to get those services.</p> <p>15 Q. So it's fair to say that if you control 16 the output market in a professional sport, you 17 control the input market for the athletes that play 18 that sport as well, correct?</p> <p>19 A. No. No. The input market for that -- 20 you've assumed that there are no good substitutes 21 for the athletes themselves, and -- you know, I 22 might be the -- let's pick a sport. I might be the 23 monopolist on Major League Soccer in the United 24 States, but I can still be hiring soccer players 25 from everywhere and not have much market power over</p>	<p style="text-align: right;">466</p> <p>1 THE VIDEOGRAPHER: Going off the record at 2 2:33. 3 (A short break was had.) 4 THE VIDEOGRAPHER: We are going back on 5 the record at 2:35. This begins disk No. 4. 6 BY MR. CRAMER:</p> 
<p style="text-align: right;">465</p> <p>1 the price I pay for soccer players.</p> <p>2 Q. Let's say you're the global monopolist for 3 soccer. You control it all. You control the 4 output market for the sport. The only place that 5 professional soccer players have to play is you, 6 right?</p> <p>7 A. And if there's an inelastic supply of -- I 8 mean, what's going to happen in the input market is 9 that in that instance it depends on the elasticity 10 of supply of soccer players and then --</p> <p>11 Q. In other words, whether players would come 12 from some other sport or could go to another sport?</p> <p>13 A. Well, they could do all kinds of things. 14 There's some elasticity of supply of soccer 15 players. We know that's true, it's not zero. And 16 so the pricing and I've got two decisions to make, 17 how I operate in the input market and how I operate 18 in the output market, and it's going to depend in a 19 kind of a complicated way on the elasticity of 20 demand in the output market and the elasticity of 21 supply in the input market what ends up happening, 22 the prices I charge and pay in two markets.</p> <p>23 THE VIDEOGRAPHER: Five minutes on disk.</p> <p>24 MR. CRAMER: Let's take a break and go off 25 the record.</p>	<p style="text-align: right;">467</p> 

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1	A. His are revenue weighed, the green line.		
2	Q. Oh, the green line is revenue weighted?		
3	A. Yeah.		
4	Q. Okay. And that's what you mean?		
5	A. Yeah.		
6	Q. Okay. And just so I understand, in this		
7	analysis you treat a fighter ranked 1 as the same		
8	value as a fighter ranked 15; is that right?		
9	A. Yes.		
10	Q. For example, you would treat Nunez the		
11	same as you treat Rousey; is that right?		
12	A. I don't know whether I did that with those		
13	two particular fighters, but within a category that		
14	would be true. So we didn't inverse weight		
15	according to -- we didn't treat 15 as 1/15th of 1.		
16	Q. Okay.		
17	Turn to paragraph 229. So here you		
18	talk -- you point out that Nunez was the champion		
19	when she fought Rousey in December of 2016; is that		
20	right?		
21	A. Yes. That's my recollection.		
22	Q. And at that time Rousey was ranked 5th; is		
23	that right?		
24	A. Yes.		
	[REDACTED]	473	
1	A. Some of these guys -- some of these guys		
2	played other sports, if that's your question, but		
3	the facts of their background are that a lot of		
4	people came over from other sports and they fight		
5	in other sports.		
6	Q. Would you agree with me that if -- all		
7	things equal, if MMA fighter compensation generally		
8	rose relative to the compensation in other		
9	professional sports, more potential athletes that		
10	would otherwise have gone into these other sports		
11	would choose MMA instead?		
12	MR. WIDNELL: Objection, form.		
13	BY THE WITNESS:		
14	A. I think that's likely. That's part of the		
15	reason the sport itself has grown.		
16	Q. Would you agree that the better -- strike		
17	that.		
18	That therefore, all things equal, if you		
19	increase the compensation to MMA fighters generally		
20	you'd attract more qualified athletes?		
21	A. I think that's what's happened.		
22	Q. And, all things equal, increased fighter		
23	compensation --		
24	A. I don't know if the average would go up or		
25	not. Depends on whether you pull in more		

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1	high-ranked -- high-quality people or low-ranked 2 quality people, but the profession would become 3 more attractive relative to other professions.	1	Q. Yeah. Can you identify any MMA promoter 2 that was not in the FightMetric database that had 3 or has a material share of the MMA promotion 4 business?
4	Q. And, all things equal, if you therefore 5 increase fighter compensation relative to other 6 sports, that would improve the quality of MMA for 7 consumers, right?	5	Well, if I don't have anybody in here, 6 we've talked about the identities before, but I 7 can't remember.
8	MR. WIDNELL: Objection, form.	8	Q. So sitting here today, you cannot identify 9 a single MMA promoter with a material share of the 10 MMA market that was not in the FightMetric 11 database; is that right?
9	BY THE WITNESS:	12	MR. WIDNELL: Objection, form.
10	A. There would be some effect there, yeah. [REDACTED]	13	BY THE WITNESS:
	[REDACTED]	14	A. I don't recall the names of the promoters 15 that were not in there. I didn't keep track of 16 that.
	[REDACTED]	23	Q. And Mr. Genauer who created it sells the 24 data tracking MMA fighters and their records to MMA 25 promoters; is that right?
	477		479
11	MR. CRAMER: For the court reporter there 12 have been two words, FightMetric, 13 F-I-G-H-T-M-E-T-R-I-C, and Fight Matrix, F-I-G-H-T, 14 M-A-T-R-I-X.	1	A. That's my recollection.
15	THE REPORTER: Thank you.	2	Q. Did you speak to Mr. Genauer --
16	MR. CRAMER: You're welcome.	3	A. No.
17	BY MR. CRAMER:	4	Q. -- in the course of your work?
18	Q. Can you identify a single MMA promoter 19 that you believe was excluded from the FightMetric 20 database that has or had a material share of the 21 MMA promotion business?	5	A. No.
22	A. I'm sorry.		[REDACTED]
23	MR. WIDNELL: Objection, form.		[REDACTED]
24	BY THE WITNESS:		[REDACTED]
25	A. I'm sorry. Could you say that again.		[REDACTED]

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	[REDACTED]		A. You just handed it to me.
1	[REDACTED]	Q. Well, you rely upon it in at least three	
2	[REDACTED]	places in your report; isn't that right?	
3	[REDACTED]	A. I'm sure it came from attorneys for Zuffa.	
4	[REDACTED]	Q. You've seen it before, right?	
5	[REDACTED]	A. I've read a lot of documents. This looks	
6	[REDACTED]	familiar.	
7	[REDACTED]	Q. Turn to paragraph 6 on page 1 of the	
8	[REDACTED]	[REDACTED]	
	481		483
10	[REDACTED]	MR. CRAMER: I'd like to mark as the next	
11	[REDACTED]	exhibit the declaration of Abraham Genauer,	
12	[REDACTED]	Exhibit 18.	
13	[REDACTED]	(Topel Exhibit 18 was marked	
14	[REDACTED]	as requested.)	
15	[REDACTED]	BY THE WITNESS:	
16	[REDACTED]	A. Is this Romney's --	
17	[REDACTED]	THE REPORTER: Hold on, please.	
18	[REDACTED]	BY THE WITNESS:	
19	[REDACTED]	A. I take it this is Romney's formal name?	
20	[REDACTED]	Q. Well, this document was produced to the	
21	[REDACTED]	Plaintiffs by Zuffa. It's signed by Abraham	
22	[REDACTED]	Genauer. And it was executed October 26, 2017.	
23	[REDACTED]	A. Got it.	
24	[REDACTED]	Q. Do you know what fantasy sports gaming	
25	[REDACTED]	websites do with regard to MMA?	
		A. I suppose they probably have fantasy bouts	
		and then people can participate.	

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1	Q. And it's fair to say that if --	1	Have you done any analysis of how much it
2	A. That's my recollection.	2	would cost to train to switch from professional MMA
	[REDACTED]	3	fighting to another sport?
	[REDACTED]	4	MR. WIDNELL: Objection, form.
	[REDACTED]	5	BY THE WITNESS:
	[REDACTED]	6	A. I've done no financial analysis of such
	[REDACTED]	7	switching.
11	Q. All right. You can put that aside.	8	Q. Did you do any analysis of how much time
12	Is it your opinion that MMA fighters could	9	it would take for a professional MMA fighter to
13	easily substitute from professional mixed martial	10	switch from professional MMA to another sport?
14	arts to boxing?	11	A. My understanding it takes various amounts
15	A. No.	12	of time.
16	Q. Is it your opinion that MMA fighters could	13	Q. Would you agree that it takes a tremendous
17	easily substitute from MMA fighting to football?	14	amount of skill and training to be a top-level MMA
18	MR. WIDNELL: Objection, form.	15	professional fighter?
19	BY THE WITNESS:	16	MR. WIDNELL: Objection, form.
20	A. You mean to NFL football?	17	BY THE WITNESS:
21	Q. Yes.	18	A. I think it takes a lot of skill to be a
22	A. No.	19	top athlete in any category.
23	Q. Is it your opinion that MMA fighters could	20	Q. Is it fair to say that in order to be --
24	easily substitute from MMA fighting to playing	21	in order to be a top-level professional MMA fighter
25	tennis, professional tennis?	22	one would need to be an extraordinary athlete; is
		23	that fair?
		24	MR. WIDNELL: Objection, form.
		25	BY THE WITNESS:
	485		487
1	MR. WIDNELL: Objection, form.	1	A. They are athletic. Whether they're as
2	BY THE WITNESS:	2	athletic as some other field, I don't know.
3	A. No.	3	Q. Is it fair to say that in order to be a
4	Other than Conor McGregor, can you	4	top-level MMA fighter that athlete would need to be
5	identify another MMA fighter who became a	5	knowledgeable about several martial arts
6	successful professional boxer for more than one	6	disciplines?
7	fight?	7	MR. WIDNELL: Objection, form.
8	MR. WIDNELL: Objection, form.	8	BY THE WITNESS:
9	BY THE WITNESS:	9	A. I think they use several martial arts
10	A. No. Are you counting him as successful?	10	disciplines. That's why it's called mixed martial
11	Q. You can determine that. Was he	11	arts.
12	successful, in your opinion?	12	Q. And in order to be a top-level MMA fighter
13	A. He made money. He lasted longer than I	13	the athlete would need to be knowledgeable and
14	would have thought.	14	trained in more than one martial arts discipline,
15	Q. Did you in your report do an analysis as	15	correct?
16	to whether there are other combat sports to which	16	MR. WIDNELL: Same objection.
17	professional MMA fighters could switch if their	17	BY THE WITNESS:
18	compensation fell a small but significant agree?	18	A. I suppose one could be successful using a
19	MR. WIDNELL: Objection, form.	19	limited set of skills, but you say more than one.
20	BY THE WITNESS:	20	You're probably able to use more than one. That's
21	A. Whether -- whether there are other sports?	21	why it's called mixed martial arts.
22	Q. Yes.	22	Q. Right. If a boxer tried to become a mixed
23	A. Well, they surely could switch to some	23	martial artist and all that professional boxer knew
24	degree. The magnitude, I didn't calculate it.	24	was boxing, he would get his butt kicked, wouldn't
25	Q. Have you done an -- strike that.	25	he?

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1	MR. WIDNELL: Objection, form.		
2	BY THE WITNESS:		
3	A. I don't know the answer to that.		
4	Q. In order to be a professional MMA fighter		
5	at the top level the athlete needs to be in		
6	incredible shape; is that true?		
7	MR. WIDNELL: Objection, form.		
8	BY THE WITNESS:		
9	A. Incredible shape? I mean, there's all		
10	these adjectives flying around that -- it's rough		
11	and tumble in that octagon and to last three rounds		
12	to five rounds against somebody who's fighting you		
13	in that weight takes stamina. They have to be in		
14	shape. They have to be in better shape than I		
15	am.		
16	Q. In order to be a top-level MMA fighter the		
17	athlete must be willing to risk serious injury or		
18	death in the ring, correct?		
19	MR. WIDNELL: Objection, form.		
20	BY THE WITNESS:		
21	A. Well, I don't think -- what does it mean		
22	to risk death? I mean, people die in boxing. I		
23	don't know if anybody's ever died in mixed martial		
24	arts. I know it's regulated. So it's not going to		
25	be extraordinarily risky, but you can get hurt in		
	489		491
1	there and there are fights that I've watched people		
2	get hurt.		
3	Q. And in order to be a top-level MMA fighter		
4	you would need to be willing to risk serious injury		
5	while fighting, correct?		
6	MR. WIDNELL: Same objection.		
7	BY THE WITNESS:		
8	A. That's true in any sport, but keep		
9	going.		
10	Q. You think it's more true in tennis that an		
11	athlete will get seriously injured or mixed martial		
12	arts, which one?		
13	A. Probably in mixed martial arts.		
14	Q. Turn to paragraph 304, please. In		
15	paragraph 304 you're talking about Zuffa's		
16	acquisition of Pride, among other things, and in		
23	Q. Are you aware -- so the UFC bought Pride		
24	in 2007; is that right?		
25	A. I think that's the year, but I don't		

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<p>492</p> <p>1 remember.</p> <p>2 Q. So if the UFC -- are you aware about</p> <p>3 whether the UFC put on an event in Japan between</p> <p>4 2007 and 2012?</p> <p>5 A. I don't recall.</p> <p>6 Q. Would it surprise you to learn that after</p> <p>7 the acquisition of Pride in 2007, which you say was</p> <p>8 an effort to enter into the Asian MMA market, that</p> <p>9 Zuffa did not put on an MMA event in Asia until</p> <p>10 February of 2012?</p> <p>11 MR. WIDNELL: Objection to form.</p> <p>12 BY THE WITNESS:</p> <p>13 A. Doesn't surprise me because this</p> <p>14 investment didn't turn out so well, especially when</p> <p>15 the connection with management to the Yakuza became</p> <p>16 evident.</p> <p>17 Q. You mean that Zuffa did not know before it</p> <p>18 paid \$47 million to the owners of Pride that Pride</p> <p>19 had a relationship with organized crime in Japan?</p> <p>20 MR. WIDNELL: Objection, form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. I don't know whether they had knowledge of</p> <p>23 it, but it didn't play out the way they had</p> <p>24 anticipated.</p> <p>25 Q. Well, wasn't it notorious that Pride's</p>	<p>494</p> <p>1 Asia. My understanding is they've tried to run</p> <p>2 things in Europe. How successful they've been I</p> <p>3 don't know.</p> <p>4 Q. Turn to paragraph 96, please.</p> <p>5 A. Yes.</p> <p>6 Q. In the last sentence on -- of paragraph 96</p> <p>7 on page 42 that begins "In this regard"; do you see</p> <p>8 that?</p> <p>9 A. Uh-huh.</p> <p>10 Q. You write "In this regard it is noteworthy</p> <p>11 that in Asia, which is one of the other geographic</p> <p>12 market for MMA identified by Dr. Singer, he cites</p> <p>13 one championship's claim that it has a 90 percent</p> <p>14 market share"; do you see that?</p> <p>15 A. Yes.</p> <p>16 Q. Why is that noteworthy?</p> <p>17 A. Well, one has a 90 percent market share,</p> <p>18 it's not as if nobody can compete against --</p> <p>19 against Zuffa and Zuffa's actually tried to compete</p> <p>20 in that marketplace and hasn't been so</p> <p>21 successful.</p> <p>22 Q. The 90 percent figure is of the Asian MMA</p> <p>23 market; is that right?</p> <p>24 A. Yes.</p> <p>25 Q. All right. You can put that aside.</p>
<p>493</p> <p>1 owners had a relationship with organized crime in</p> <p>2 Japan?</p> <p>3 MR. WIDNELL: Objection, form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. Well, I say here "Nothing would prevent</p> <p>6 him from using his local connections, including his</p> <p>7 alleged connections to Japanese organized crime."</p> <p>8 So somebody had some suspicions and how those</p> <p>9 played out I don't know, but I know that management</p> <p>10 had to be replaced.</p> <p>11 Q. Turn to paragraph 60, please.</p> <p>12 A. Yes.</p> <p>13 Q. The third sentence -- or the sentence</p> <p>14 beginning "One of Zuffa's key business</p> <p>15 initiatives"; do you see that? Starts about midway</p> <p>16 through the paragraph.</p> <p>17 A. Yes.</p> <p>18 Q. It says "One of Zuffa's key business</p> <p>19 initiatives was an expansion of its events to</p> <p>20 include international offerings and for developing</p> <p>21 new markets for MMA outside the United States"; do</p> <p>22 you see that?</p> <p>23 A. Yep, that was one of their initiatives.</p> <p>24 Q. What new markets?</p> <p>25 A. Well, they tried to run some stuff in</p>	<p>495</p> <p>1 MR. WIDNELL: When you say put that aside,</p> <p>2 you mean the report?</p> <p>3 MR. CRAMER: Oh, no. I still have more</p> <p>4 from the report.</p> <p>5 THE WITNESS: Darn. I was putting it</p> <p>6 aside.</p> <p>7 MR. CRAMER: Yeah. Yeah.</p> <p>8 MR. WIDNELL: That was cruel.</p> <p>9 BY MR. CRAMER:</p> <p>10 Q. Well, before I go back to the report --</p> <p>11 turn to paragraph 201. In the first two sentences</p> <p>12 you say "In his regression assessing common impact</p> <p>13 Dr. Singer only considers the impact of the</p> <p>14 contractual restrictions in PAR contracts that he</p> <p>15 claims extend the period of exclusivity when an</p> <p>16 athlete is under contract to Zuffa. Similarly,</p> <p>17 when computing damages using his foreclosure</p> <p>18 regression benchmark, Dr. Singer only estimates the</p> <p>19 harm due to the alleged foreclosure provisions."</p> <p>20 What do you mean by that?</p> <p>21 A. I mean you have a list of challenged</p> <p>22 conduct and not all of it goes into the calculation</p> <p>23 of his -- his foreclosure shares. You know, you</p> <p>24 have to put all of the alleged conduct in front of</p> <p>25 me because it's late in the day.</p>

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<p style="text-align: right;">496</p> <p>1 Q. Well, you list some of them in the next 2 sentence.</p> <p>3 A. Yeah.</p> <p>4 Q. There's the horizontal acquisitions, the 5 counter programming; do you see that?</p> <p>6 A. Yeah.</p> <p>7 Q. And what you're saying is that the -- at 8 best the foreclosure analysis only considers the 9 impact from the challenged -- contractual 10 restrictions in the par contracts; is that right?</p> <p>11 A. Yeah.</p> <p>12 Q. All right. You can put that aside for a 13 minute.</p> <p>14 Who's Joe Silva?</p> <p>15 A. Isn't Joe Silva the --</p> <p>16 Q. Well, I'll refresh your recollection.</p> <p>17 Turn to paragraph 61.</p> <p>18 A. Yeah. There are actually two people in 19 this case with the last name of Silva.</p> <p>20 Q. That's true. There's a fighter. Turn to 21 paragraph --</p> <p>22 A. What page?</p> <p>23 Q. Paragraph 61, footnote 9 -- 94.</p> <p>24 A. Paragraph 61, footnote 94.</p> <p>25 Q. Right. In footnote 94 you cite the</p>	<p style="text-align: right;">498</p> <p>1 Zuffa.</p> <p>2 THE REPORTER: One at a time, please.</p> <p>3 BY MR. CRAMER:</p> <p>4 Q. Let me ask the question again. Thank you.</p> <p>5 Are you aware that Mr. Silva, Joe Silva worked for 6 the UFC prior to Zuffa's acquisition of the UFC?</p> <p>7 A. I think I agreed to that.</p> <p>8 Q. Okay. All right. And in paragraph 61 you 9 are citing Joe Silva as an authority about the 10 types of athletes necessary to run a successful MMA 11 promotion; is that fair?</p> <p>12 MR. WIDNELL: Objection, form.</p> <p>13 BY THE WITNESS:</p> <p>14 A. It's more about a process of identifying 15 those athletes.</p> <p>16 Q. And you believe he's a knowledgeable 17 resource on that topic?</p> <p>18 A. He's a participant.</p> <p>19 Q. And do you believe he's a reliable source 20 regarding the quality of MMA talent?</p> <p>21 A. He's reliable for --</p> <p>22 MR. WIDNELL: Objection, form.</p> <p>23 BY THE WITNESS:</p> <p>24 A. -- for the purposes that I used here.</p> <p>25 Q. And one of the purposes for which you used</p>
<p style="text-align: right;">497</p> <p>1 deposition of Joe Silva, right?</p> <p>2 A. Yes.</p> <p>3 Q. Does it refresh your recollection that he 4 was the matchmaker for Zuffa?</p> <p>5 A. Yes, it does.</p> <p>6 Q. Does it sound right that he worked for 7 Zuffa from about 2001 to 2016?</p> <p>8 A. That's familiar, but if you asked me to 9 verify that those are the dates, don't do that.</p> <p>10 Q. Okay. Are you aware that he also 11 negotiated fighter contracts with some of the 12 fighters?</p> <p>13 A. Yes.</p> <p>14 Q. Are you aware that he worked for Zuffa 15 prior to the -- worked for the UFC prior to the 16 UFC's acquisition of Zuffa?</p> <p>17 A. So he was carried over as an element of 18 management.</p> <p>19 Q. Yes.</p> <p>20 A. Yes.</p> <p>21 MR. WIDNELL: I'm sorry. You mean prior 22 to Zuffa's acquisition of UFC?</p> <p>23 MR. CRAMER: Yes.</p> <p>24 THE WITNESS: Isn't that what he said?</p> <p>25 MR. WIDNELL: He said UFC acquisition of</p>	<p style="text-align: right;">499</p> <p>1 him here was what it takes to successfully run an 2 MMA promotion; is that right?</p> <p>3 A. Yes.</p> <p>4 Q. Turn to paragraph 76, please. In footnote 5 129 you'll see that you -- here again is the 6 deposition of Joe Silva, you cite him again; is 7 that right?</p> <p>8 A. Yes.</p> <p>9 Q. And you cite him here when discussing 10 Zuffa's competition for what you call, 11 quote/unquote, named fighters; is that right?</p> <p>12 MR. WIDNELL: I'm sorry. What are you 13 referring to?</p> <p>14 BY MR. CRAMER:</p> <p>15 Q. The last sentence of paragraph 76 says 16 "Since Zuffa's inception it has been outbid for 17 what Joe Silva called 'named fighters' by other MMA 18 promotions"; do you see that?</p> <p>19 A. Yes. Excuse me.</p> <p>20 Q. And you cite Mr. Silva's deposition for 21 that proposition; is that right?</p> <p>22 A. Yes.</p> <p>23 Q. Would you agree that Mr. Silva's a 24 reliable source regarding MMA fighter talent 25 acquisition?</p>